

RECLAMATION COST ESTIMATION SUMMARY SHEET

This cost estimation summary sheet is provided to assist the operator and BLM in calculating the reclamation cost estimate. The summary sheet is designed to accompany the Reclamation Cost Checklist. The summary sheet is not all inclusive nor is it required.

Notice [] Plan of Operations []

BLM Case-file No. _____

Project Name: _____

Enter those values in the cost estimate that are appropriate to this project. All reclamation costs are to be calculated as third party contracts. This summary sheet is to be accompanied by a worksheet describing how each itemized cost was calculated.

A. EARTHWORK/RECONTOURING

<u>ITEM</u>	<u>LABOR</u> ¹	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Drill Hole Abandonment ²	\$ _____	\$ _____	\$ _____	\$ _____
4. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
5. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
6. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
7. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
8. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
9. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Storage & Equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
11. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
12. Mobilization/Demobilization	\$ _____	\$ _____	\$ _____	\$ _____
13. Miscellaneous ³	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL	\$ _____	\$ _____	\$ _____	\$ _____

B. REVEGETATION/STABILIZATION

<u>ITEM</u>	<u>LABOR</u> ¹	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
4. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
5. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
6. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
7. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
8. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
9. Storage & Equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
11. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
12. Miscellaneous ³	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL	\$ _____	\$ _____	\$ _____	\$ _____

ATTACHMENT 2-1

C. DETOXIFICATION/WATER TREATMENT/DISPOSAL OF WASTES

<u>ITEM</u>	<u>LABOR¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Process Ponds/Sludge	\$ _____	\$ _____	\$ _____	\$ _____
2. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
3. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
4. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
5. Surplus Water Disposal	\$ _____	\$ _____	\$ _____	\$ _____
6. Fluid Management ⁴	\$ _____	\$ _____	\$ _____	\$ _____
7. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
8. Miscellaneous ³	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL	\$ _____	\$ _____	\$ _____	\$ _____

D. STRUCTURE, EQUIPMENT AND FACILITY REMOVAL	<u>LABOR¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
	\$ _____	\$ _____	\$ _____	\$ _____

E. HAZARDOUS MATERIALS⁵	<u>LABOR¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
	\$ _____	\$ _____	\$ _____	\$ _____

F. MITIGATION⁶	<u>LABOR¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
	\$ _____	\$ _____	\$ _____	\$ _____

G. SUBTOTAL – OPERATIONAL & MAINTENANCE COSTS (A through F)	\$ _____	\$ _____	\$ _____	\$ _____
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H. ADMINISTRATIVE COSTS

1. Engineering, Design and Construction (ED&C) Plan ⁷	\$ _____
2. Contingency ⁸	\$ _____
3. Insurance ⁹ (On Site Liability)	\$ _____
4. Bond ¹⁰ (Performance and Payment)	\$ _____
5. Contractor Profit ¹¹	\$ _____
6. BLM Contract Administration ¹²	\$ _____
7. BLM Indirect Cost ¹³	\$ _____
SUBTOTAL	\$ _____

I. GRAND TOTAL (G and H)	\$ _____
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Attach sources/information used in cost estimate (examples: Caterpillar Performance Handbook, contractor's estimate, BLM state office procurement analyst, etc.).

ATTACHMENT 2-2

RECLAMATION COST ESTIMATION SUMMARY SHEET FOOTNOTES

1. Federal construction contracts require Davis-Bacon wage rates for contracts over \$2,000. Wage rate estimates may include base pay, payroll loading, overhead and profit. To avoid double counting of any of the identified administrative costs the operator must itemize the components of their labor cost estimates or provide BLM with a signed statement, under penalty of USC 1001, that identifies what specific administrative costs are included in the quoted hourly rate.
2. The reclamation cost estimate must include the estimated plugging cost of at least one drill hole for each active drill rig in the project area. Where the submitted Notice or approved Plan of Operations calls for drill holes to be plugged, but doesn't specifically require the drill holes be plugged before the drill rig has been moved from the drill pad, the reclamation cost estimate must include the plugging cost for those drill holes. For all drill holes and wells scheduled to be left open, the estimated plugging cost must be included in the reclamation cost estimate. Where the approved Plan of Operations proposes immediate mining through an area where the drilling is to occur, and the cost of the post-mining reclamation is included in the reclamation cost estimate, the cost estimate does not need to include the plugging costs for those drill holes.
3. Miscellaneous items should be itemized on accompanying worksheets.
4. Fluid management should be calculated only when mineral processing activities are involved. Fluid management represents the costs of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of operations. Calculate a minimum six month direct cost estimate which includes power, supplies, equipment, labor and maintenance.
5. Handling of hazardous materials includes the cost of decontaminating, neutralizing, disposing, treating and/or isolating all hazardous materials used, produced, or stored on the site.
6. Any mitigation measures required in the Plan of Operations must be included in the reclamation cost estimate. Mitigation may include measures to avoid, minimize, rectify and reduce or eliminate the impact, or compensate for the impact.
7. Engineering, design and construction (ED&C) plans are often necessary to provide details on the reclamation needed to contract for the required work. To estimate the cost to develop an ED&C plan use 4-8% of the O&M cost. Calculate the ED&C cost as a percentage of the O&M cost as follows: up to and including \$1 million, use 8%; over \$1 million to \$25 million, use 6%; and over \$25 million, use 4%. Inclusion of a line item for the development of an ED&C plan may not be necessary for small operations, such as notice-level exploration. With small, uncomplicated reclamation efforts contracting may be able to proceed without developing an ED&C plan.
8. A contingency cost is included in the reclamation cost estimation to cover unforeseen cost elements. Calculate the contingency cost as a percentage of the O&M cost as follows: up to and including \$500,000, use 10%; over \$500,000 to \$5 million, use 8%; over \$5 million to \$50 million, use 6%; and greater than \$50 million, use 4%. As with the ED&C cost, inclusion of a contingency cost may not be necessary for small operations, such as notice-level exploration.
9. Insurance premiums are calculated at 1.5% of the total labor costs. Enter the premium amount if liability insurance is not included in the itemized unit costs.
10. Federal construction contracts exceeding \$100,000 require both a performance and a payment bond (Miller Act, 40 USC 270et seq.). Each bond premium is figured at 1.5% of the O&M cost. Enter the sum of both premium costs on this line.
11. For Federal construction contracts, use 10% of estimated O&M cost for the contractor's profit.
12. To estimate the contract administration cost, use 6 to 10% of the operational and maintenance (O&M) cost. Calculate the contract administration cost as a percentage of the O&M cost as follows: up to and including \$1 million, use 10%; over \$1 million to \$25 million, use 8%; and greater than \$25 million use 6%.
13. BLM's indirect cost rate is 21% of BLM's contract administration costs.